INSPECTION REPORT

Partial XXX Complete ___ Exploration ___
Inspection Date: 05/08/2003 / Time: 8:15-10 AM
Date of Last Inspection: 04/09/2003

Mine Name: Wildcat Loadout County: Carbon Permit Number: **C/007/033**
Permittee and/or Operator's Name: Andalex Resources, Inc.
Business Address: P.O. Box 902, Price, Utah 84501
Company Official(s): Mr. Scott Dimick, Superintendent
State Official(s): Peter Hess Federal Official(s): None
Weather Conditions: Overcast / Mild showers / Temperature in forties, Fahrenheit
Type of Mining Activity: Underground ___ Surface ___ Prep Plant XXX Other ___
Existing Acreage: Permitted 100 Disturbed 63.7 Regraded ___ Seeded ___
Status: Active

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
   a. For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
   b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

		EVALUATED	N/A	COMMENTS	NOV/ENF
1.	PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	[ ]	[ ]	[ ]	[ ]
2.	SIGNS AND MARKERS	[ ]	[ ]	[ ]	[ ]
3.	TOPSOIL	[X]	[ ]	[X]	[ ]
4.	HYDROLOGIC BALANCE:				
a.	DIVERSIONS	[X]	[ ]	[X]	[ ]
b.	SEDIMENT PONDS AND IMPOUNDMENTS	[X]	[ ]	[X]	[ ]
c.	OTHER SEDIMENT CONTROL MEASURES	[X]	[ ]	[X]	[ ]
d.	WATER MONITORING	[X]	[ ]	[X]	[ ]
e.	EFFLUENT LIMITATIONS	[ ]	[ ]	[ ]	[ ]
5.	EXPLOSIVES	[ ]	[ ]	[ ]	[ ]
6.	DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	[ ]	[ ]	[ ]	[ ]
7.	COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	[X]	[ ]	[X]	[ ]
8.	NONCOAL WASTE	[ ]	[ ]	[ ]	[ ]
9.	PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES	[X]	[ ]	[X]	[ ]
10.	SLIDES AND OTHER DAMAGE	[ ]	[ ]	[ ]	[ ]
11.	CONTEMPORANEOUS RECLAMATION	[ ]	[ ]	[ ]	[ ]
12.	BACKFILLING AND GRADING	[ ]	[ ]	[ ]	[ ]
13.	REVEGETATION	[ ]	[ ]	[ ]	[ ]
14.	SUBSIDENCE CONTROL	[ ]	[ ]	[ ]	[ ]
15.	CESSATION OF OPERATIONS	[ ]	[ ]	[ ]	[ ]
16.	ROADS:				
a.	CONSTRUCTION/MAINTENANCE/SURFACING	[ ]	[ ]	[ ]	[ ]
b.	DRAINAGE CONTROLS	[ ]	[ ]	[ ]	[ ]
17.	OTHER TRANSPORTATION FACILITIES	[ ]	[ ]	[ ]	[ ]
18.	SUPPORT FACILITIES/UTILITY INSTALLATIONS	[ ]	[ ]	[ ]	[ ]
19.	AVS CHECK (4th Quarter- April, May, June)	[ ]	[ ]	[ ]	[ ]
20.	AIR QUALITY PERMIT	[ ]	[ ]	[ ]	[ ]
21.	BONDING & INSURANCE	[ ]	[ ]	[ ]	[ ]

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

3. TOPSOIL

The sites four topsoil piles were inspected. New growth is evident on piles "A", "E", and "F". A minimal amount of new growth was observed on the east side of pile "B" where small depressions have been able to collect and retain moisture. The reseeding of the top of pile "B" with oats has yet to show any indication of successful germination. This is the pile that has a tendency to develop a crust on the surface. Many oat seeds are still visible on the surface of this pile.

4A. HYDROLOGIC BALANCE: DIVERSIONS

All of the diversions that were inspected appeared to be capable of functioning as designed.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The permittee is aware that several of the ponds at the site are in need of having sediment removed to maintain storage volume for the design event. The Division has been previously told that the cleaning of the ponds would be initiated in May. To date, the work has not been initiated.

A review of the annual impoundment certifications that were provided as part of the 2002 annual report reveals the following:

1) Sediment pond "A" has two feet or 0.918 acre-feet of sediment storage remaining.
2) Pond "B" has nine inches (0.75 feet) or 0.040 acre-feet of sediment storage capacity remaining to reach the sixty percent level.
3) Pond "C" has 0.25 feet or 0.022 acre-feet of sediment storage capacity remaining.
4) Pond "D" has 0.42 feet or 0.025 acre-feet of sediment storage capacity remaining before reaching the sixty percent cleanout level.
5) Pond "E" has 0.54 feet or 0.047 acre-feet of capacity remaining.
6) Pond "F" has 1.87 feet or 0.075 acre-feet of storage capacity remaining.

Although the area has seen some snow and rain over the past several weeks, and a drizzle was occurring this day, the ponds do not show any indication of pooling in their bottoms.

The site's ponds have never discharged since their construction.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

The area that is ESE of sediment pond "B" utilizes straw bales along a fence line to minimize the transport of coal fines off of the permit area. The fines appear to be quite deep here and the accumulation of them in at least one area is almost level with the top of several of the bales. As such, it is possible that fines could be transported off of the permitted area resulting in an offsite impact/compliance action. Mr. Dimick indicated that the utilization of a vacuum truck had been discussed to remove the fines. This type of mitigation is incredibly expensive, and based on the depth of the fines in this particular area, would be cost prohibitive. The use of a backhoe with a careful operator was discussed to remove at least enough of the fines that the effectiveness of the straw bales would be ensured.

Mr. Dimick also indicated that the permittee is currently preparing an amendment to expand the coal stockpile storage disturbance into the ASCA #3 area. This would also correct the problem. Mr. Dimick indicated he would take the measures necessary to ensure that the currently approved methods of treatment for this area are given maintenance in order for them to function as designed.

4D. HYDROLOGIC BALANCE: WATER MONITORING

Although the Price area has seen some rain this morning, the Wildcat wash drainage was not flowing at the time of the inspection.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The coal waste storage pile was inspected; there were no compliance issues noted. There were no signs of spontaneous combustion observed. The MSHA identification sign is in place.

9. PROTECTION OF FISH, WILDLIFE, AND RELATED ENVIRONMENTAL VALUES

The permittee has removed the contaminated soil from beneath the diesel fuel storage tank located on the west side of the disturbance adjacent to the unloading grizzley. The material was disposed of as noncoal waste.

/S/

Inspector's Signature: _____ Date: May 8, 2003

Peter Hess #46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

cc: James Fulton, OSM
Mike Glasson, Andalex
Price Field office
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